

10/30/87

DEFINITION OF GOVERNMENT SPACE AND COMMERCIAL SPACE
SECTOR ACTIVITIES

ISSUES

It is agreed that the Government's space sectors shall conduct development and operations activities necessary to support their own research, exploration, experimentation, foreign policy and national security objectives. The issue is whether the Government's space sectors should refrain from conducting development and operations that directly encourage or assist private sector entry into and involvement in the commercial space field. An additional issue is whether the Government's space sectors in carrying out their development and operations activities should never duplicate services or goods which could be commercially supplied.

BACKGROUND

In the absence of clear guidelines, the Government is seen by some as retaining wide latitude for exercise of administrative discretion concerning the areas of activity it will or might choose to enter. This could create barriers to private firms. Clear guidelines are needed to define the Government's activities in terms of research, development, exploration and operations to support them without unnecessarily competing or precluding private sector activities. Government should conduct its affairs so as to encourage private sector activity.

Where U.S. economic policy has clearly advocated private sector activity in mature space areas and has phased-down Government activity, (for example, communications satellites and expendable launch vehicles) there has been a strong demonstration of private sector initiatives and performance.

PROPOSAL

DOC proposes modifying space policy to instruct Government space sectors not to use their development and operations activities to directly encourage or support the private sector. DOC also proposes that the policy be amended to direct Government space sectors not to conduct any development or operations activities which do or could duplicate goods or services which could be commercially supplied.

NASA believes, for reasons listed below, that DOC's proposal is needlessly restrictive and overall will inhibit rather than foster a healthy commercial space industry.

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IMPLICATIONS

Better definition of the Government's development and operations activities could facilitate expanded private sector investment in space by eliminating the risk of unnecessary Government competition.

The development and operations of the Government's sectors will be directed at their own programmatic objectives and will not be used to either encourage or preclude private sector involvement. Some Government activities currently designed to support private sector entry will be curtailed or eliminated.